Domino's Pizza
达美乐比萨

DPC Dash Ltd
达势股份有限公司

(incorporated in the British Virgin Islands with limited liability)

(Stock code: 1405)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2023

The board (the "**Board**") of directors (the "**Directors**") of DPC Dash Ltd (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2023 (the "**Reporting Period**"). The interim condensed consolidated financial information is unaudited but has been reviewed by the Company's audit committee and the Company's auditors, PricewaterhouseCoopers, in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

KEY HIGHLIGHTS

	Six months ended June 30,		
	2023 ***(RMB'000)*** **(Unaudited)**	2022 *(RMB'000)*	change (%)/ percentage points change
Revenue	**1,376,370**	908,789	51.5%
Store-level operating profit[1]	**186,289**	83,325	123.6%
Store-level operating profit margin[2]	**13.5%**	9.2%	+4.3
Profit/(Loss) before income tax	**28,096**	(85,737)	N/A
Profit/(Loss) for the period attributable to owners of the Company	**8,751**	(95,475)	N/A
Non-IFRS Measures			
Store-level EBITDA[3]	**257,421**	138,338	86.1%
Store-level EBITDA margin[4] (%)	**18.7%**	15.2%	+3.5
Adjusted EBITDA[5]	**127,022**	55,575	128.6%
Adjusted Net Loss[6]	**(17,445)**	(68,866)	74.7%

Notes:

(1) Store-level operating profit represents revenue less operational costs incurred at the store level, comprising salary-based expense, raw materials and consumables cost, depreciation of right-of-use assets, depreciation of plant and equipment, amortization of intangible assets, variable lease rental payment and short-term rental expenses, utilities expenses, advertising and promotion expenses, store operating and maintenance expenses and other expenses.

(2) Store-level operating profit margin is calculated by dividing store-level operating profit by revenue for the same period.

(3) "Store-level EBITDA" is defined as store-level operating profit for the period and adding back depreciation of plant and equipment and amortization of intangible assets in store-level.

(4) "Store-level EBITDA margin" is calculated by dividing Store-level EBITDA by revenue for the same period.

(5) "Adjusted EBITDA" is defined as Adjusted Net Loss for the period and adding back depreciation and amortization (excluding depreciation of right-of-use assets), income tax expense and finance cost, net (excluding net foreign exchange losses on financing activities).

(6) "Adjusted Net Loss" is defined as profit/(loss) for the period and adding back fair value change of financial liabilities at fair value through profit or loss, share-based compensation and listing expenses.

Non-IFRS Measures

To supplement the Group's consolidated financial statements that are presented in accordance with the International Financial Reporting Standards ("**IFRS**"), we also use Adjusted Net Loss (non-IFRS measure), Adjusted EBITDA (non-IFRS measure), Store-level EBITDA (non-IFRS measure) and Store-level EBITDA margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that these measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of Adjusted Net Loss (non-IFRS measure), Adjusted EBITDA (non-IFRS measure), Store-level EBITDA (non-IFRS measure) and Store-level EBITDA margin (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

BUSINESS HIGHLIGHTS

We are pleased to announce the following key operating metrics, as set forth below, in relation to the Group's business for the six months ended June 30, 2023 (as compared with the six months ended June 30, 2022 and December 31, 2022):

Store counts

	As of June 30, 2023	As of December 31, 2022	As of June 30, 2022
Beijing and Shanghai	**331**	312	283
New growth markets	**341**	276	225
Total	**672**	**588**	**508**

Number of cities entered

	As of June 30, 2023	As of December 31, 2022	As of June 30, 2022
Number of cities entered	**20**	**16**	**12**

Same-store Sales Growth ("SSSG")

	Six months ended June 30, 2023	2022
SSSG	**8.8%**	**13.9%**

Loyalty membership numbers

	As of June 30, 2023	As of December 31, 2022	As of June 30, 2022
Loyalty membership numbers (million)	**10.9**	**8.6**	**7.0**

MANAGEMENT DISCUSSION AND ANALYSIS

We are Domino's Pizza's exclusive master franchisee in the China mainland, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China. As of June 30, 2023, we directly operated 672 stores across 20 cities in the China mainland. Our global franchisor, Domino's Pizza, Inc., is one of the world's largest pizza companies, with more than 20,000 stores in over 90 markets around the world at the end of the Reporting Period.

Business Review for the Six Months Ended June 30, 2023

During the first six months of 2023, which were the first full half-year period after the relaxation of the COVID-19 pandemic control measures in China, our business continued to grow at an outstanding pace. Our sales achieved, number of new stores opened and number of new cities entered all hit record high.

We generated a total revenue of RMB1,376.4 million during the Reporting Period, representing a 51.5% year-over-year growth as compared with the revenue of RMB908.8 million during the same period of 2022. The strong revenue growth was observed across all markets. In Shanghai and Beijing, which are our established markets with the longest operation history, the revenue grew at 30.3% year-over-year from RMB579.8 million in the first half of 2022 to RMB755.4 million for the Reporting Period, with over 75% of the revenue generated from delivery orders. The revenue growth in our new growth markets was even stronger, recording 88.7% year-over-year growth from RMB329.0 million in the first half of 2022 to RMB620.9 million in the Reporting Period, which amounted to 45.1% of the Group's total revenue. This strong growth was not only a result of the overall strong revenue growth in the existing new growth market, but also the particularly good performance in the new cities we expanded into, including Wuhan, Jinan, Chengdu, Qingdao, Wenzhou and Changzhou. We believe the consistent success in all of these newly entered growth markets is a strong testimony of Domino's Pizza's brand strength and brand momentum in China.

For example, building on the successful inaugural stores opened in Jinan and Wuhan in late December 2022, we continued to expand into other new cities. We opened our first store in Chengdu in early March 2023. On April 29, 2023, we entered three new cities on the same day, one store in Qingdao, one store in Wenzhou and three stores simultaneously in Changzhou. As of June 30, 2023, we had altogether 24 stores in these six new cities, of which six stores now hold the global Top 6 positions of the First-30-Day-Sales records within the Domino's Pizza global system. The average daily sales per store of these six cities is RMB46,660 during the six months ended June 30, 2023. The average payback period of the 24 stores in these six new markets is expected to be less than 12 months, of which 7 stores have already achieved their payback as of July 31, 2023.

During the first six months of 2023, we had a net store opening of 84 stores, with 19 net stores added to Shanghai and Beijing, and 65 net stores added to new growth markets. As of June 30, 2023, we had 331 stores in operation in established markets and 341 stores in operation in new growth markets.

Built on the strong revenue, our operational efficiency has also improved at both store level and corporate level, leading to improved profitability performance at both store and corporate level. Our Store-level EBITDA increased by 86.1% year-over-year from RMB138.3 million in the first half of 2022 to RMB257.4 million for the Reporting Period, and the Store-level EBITDA margin improved to 18.7% for the Reporting Period as compared with 15.2% for the same period of 2022. Our store-level operating profit increased by 123.6% year-over-year from RMB83.3 million in the first half of 2022 to RMB186.3 million for the Reporting Period. The store-level operating profit margin improved to 13.5% for the Reporting Period as compared with 9.2% for the same period of 2022. The new growth market continued to lead the margin improvement of more than 1,000 basis points in store-level operating profit margin during the Reporting Period as compared with the same period in 2022. The Group's Adjusted EBITDA increased by 128.6% from RMB55.6 million in the first half of 2022 year-over-year to RMB127.0 million for the Reporting Period. Accordingly, our Adjusted Net Loss further narrowed to negative RMB17.4 million for the Reporting Period, an improvement of 74.7% from the same period of 2022. We are well on track to achieve the overall profitability of the business for the Group.

Business Outlook

We plan to open approximately 180 stores in 2023. During the first half of 2023, we have a net opening of 84 new stores. As of August 20, 2023, we have opened additional 20 stores, with 28 stores under construction and 25 stores signed or approved, well on track to deliver the 2023 full year opening target.

Looking forward, with further strengthened brand name and rising brand momentum, we will continue to execute our go-deeper and go-broader network expansion strategy, entering more new cities while further penetrating our existing markets. We would also look to further improve the cost efficiency as we continue to scale up and our stores continue to ramp up.

Events after the Reporting Period

There has been no material event that is required to be disclosed by the Company after the Reporting Period.

Financial Review

1. Revenue

Our revenue increased by 51.5% from RMB908.8 million for the six months ended June 30, 2022 to RMB1,376.4 million for the six months ended June 30, 2023, mainly attributable to (a) the increase in our average daily sales per store and (b) the increased number of stores in operation during the respective periods. We added 40 net new stores during the first six months of 2022 and brought the total store counts to 508 as of June 30, 2022, while we added 84 net new stores during the first six months of 2023 leading to a total store count of 672 as of June 30, 2023. Our total sales in Beijing and Shanghai grew 30.3% from RMB579.8 million for the six months ended June 30, 2022 to RMB755.4 million for the six months ended June 30, 2023 and contributed 54.9% of our total revenue for the six months ended June 30, 2023, while our total sales in new growth markets grew 88.7% from RMB329.0 million for the six months ended June 30, 2022 to RMB620.9 million for the six months ended June 30, 2023 and contributed 45.1% of our total revenue for the six months ended June 30, 2023.

The following table sets forth our revenue by market, both in absolute amounts and as percentages of our total revenue, for the periods indicated.

	Six months ended June 30,			
	2023		2022	
Revenue	***RMB***	***%***	*RMB*	*%*
	(in RMB thousands, except for percentage data)			
Beijing and Shanghai	**755,423**	**54.9**	579,769	63.8
New growth markets [(1)]	**620,947**	**45.1**	329,020	36.2
Total Revenue	**1,376,370**	**100.0**	908,789	100.0

Delivery as % of Revenue

	Six months ended June 30,	
	2023	**2022**
By market		
Beijing and Shanghai	**76.5%**	76.7%
New growth markets	**47.8%**	62.3%
All Markets	**63.6%**	**71.5%**

Note:

(1) "New growth markets" refers to Shenzhen, Guangzhou, Hangzhou, Tianjin, Nanjing, Suzhou, Wuxi, Ningbo, Foshan, Dongguan, Zhuhai, Zhongshan, Wuhan, Jinan, Chengdu, Qingdao, Wenzhou and Changzhou.

In Beijing and Shanghai, revenues increased 30.3% from RMB579.8 million for the six months ended June 30, 2022 to RMB755.4 million for the six months ended June 30, 2023, which was mainly driven by an increasing number of stores in operation as we continue to add 48 net new stores in these two cities from July 1, 2022 to June 30, 2023. We recorded a slight decrease in average daily sales per store in Beijing and Shanghai, primarily driven by a 9.9% decrease in average sales value per order, partially offset by an increase in average daily orders per store. Group buying activities in Shanghai during COVID-19 lockdown period temporarily increased average sales value per order for the six months ended June 30, 2022.

In our new growth markets, revenues increased by 88.7% from RMB329.0 million for the six months ended June 30, 2022 to RMB620.9 million for the six months ended June 30, 2023, which was mainly driven by a 30.0% increase in average daily sales per store, primarily attributable to increases in average daily orders per store, which grew from 100 for the six months ended June 30, 2022 to 134 for the six months ended June 30, 2023. This was coupled with an increasing number of stores in operation as we added 116 net new stores to our new growth markets from July 1, 2022 to June 30, 2023. The strong growth in the order volumes is not only driven by the growth in our existing new growth market stores as we continue our penetration and brand strengthening, but also in particular by the strong performance of the new stores in the new markets we entered over the past 12 months, which demonstrates a strong brand momentum as we continue to expand our footprint to other major cities in China.

The following table sets forth average daily sales per store by market during the six months ended June 30, 2022 and 2023.

	Six months ended June 30,	
Average daily sales per store (1) *(RMB)*	**2023**	2022
By market		
Beijing and Shanghai	**13,193**	13,974
New growth markets (2)	**11,316**	8,705
All markets	**12,275**	11,462

Notes:

(1) Calculated by dividing the revenues generated from the relevant store for a particular period by the aggregate number of days of operation of such store during the same period.

(2) "New growth markets" refers to Shenzhen, Guangzhou, Hangzhou, Tianjin, Nanjing, Suzhou, Wuxi, Ningbo, Foshan, Dongguan, Zhuhai, Zhongshan, Wuhan, Jinan, Chengdu, Qingdao, Wenzhou and Changzhou.

Underlying our revenue growth was our continued menu development, timely delivery, excellent product taste and improved brand recognition, which enabled us to achieve continued positive SSSG of 8.8% for the Group for the six months period of 2023, on top of 13.9% of SSSG for the first six months of 2022 while 14.4% of SSSG for the twelve months period of 2022.

2. Raw materials and consumables cost

For the six months ended June 30, 2023, the raw materials and consumables cost of the Group amounted to RMB380.4 million, representing an increase of RMB133.2 million or 53.9% as compared with RMB247.2 million for the corresponding period in 2022 and 27.6% and 27.2% of our total revenue in the corresponding periods, respectively. The increase was primarily due to our revenue growth, which has increased our need for raw materials and consumables. As a percentage of revenue, our raw materials and consumables cost remained relatively stable for the six months ended June 30, 2022 and 2023.

3. Staff compensation expenses

For the six months ended June 30, 2023, the staff compensation expenses of the Group amounted to RMB545.8 million, representing an increase of RMB208.9 million or 62.0% as compared with RMB336.9 million for the corresponding period in 2022.

The following table sets forth a breakdown of our staff compensation expenses at the store level and the corporate level for the periods indicated.

	Six months ended June 30,			
	2023		2022	
	RMB	***% of total revenue***	*RMB*	*% of total revenue*
	(in RMB thousands, except for percentage data)			
Cash-based compensation expenses for store-level staff	**369,887**	**26.9**	262,316	28.9
Cash-based compensation expenses for corporate-level staff	**102,193**	**7.4**	77,930	8.6
Share-based compensation	**73,692**	**5.4**	-3,338	-0.4
Total staff compensation expenses	**545,772**	**39.7**	336,908	37.1

The increase of cash-based compensation expenses for store-level staff was primarily due to the increase in the number of our store level employees arising from the expansion of our store network and the increase of sales order volume. As a percentage of revenue, our cash-based compensation expenses for store-level staff decreased from 28.9% for the six months ended June 30, 2022 to 26.9% for the same period in 2023 primarily attributable to (i) the savings in working hours of store-level staff as the COVID-19 pandemic eased and the decrease of temporary closure resulted from COVID-19; and (ii) the operating efficiency improved in the store during the Reporting Period.

The increase of cash-based compensation expenses for corporate-level staff was primarily due to (i) an increase in headcount to support our rapid expansion; and (ii) the merit-based increase in salary. As a percentage of revenue, our cash-based compensation expenses for corporate-level staff decreased from 8.6% for the six months ended June 30, 2022 to 7.4% for the same period in 2023 primarily as our corporate-level staff accumulate more experience and become well-equipped to support the operations of a larger number of stores.

The increase of share-based compensation was mainly driven by the expenses charged to profit or loss arising from share option and IPO bonus plan granted since November 2022 and a one-off reversal of the accumulated share-based compensation resulted from the cancellation of stock appreciation rights awards for the corresponding period in 2022.

4. Rental expenses

Our rental expenses include depreciation of right-of-use assets and variable lease rental payment, short-term rental and other related expenses. The Group's depreciation of right-of-use assets represents the depreciation of capitalized lease incurred by long-term leased properties in accordance with IFRS 16. For the six months ended June 30, 2023, our rental expenses amounted to RMB139.4 million, representing an increase of RMB34.2 million or 32.5% as compared with RMB105.2 million for the corresponding period in 2022. The increase was primarily due to the expansion of our store network from a total of 508 store as of June 30, 2022 to a total of 672 stores as of June 30, 2023. Our rental expenses as a percentage of revenue decreased from 11.6% for the six months ended June 30, 2022 to 10.1% for the same period in 2023 was primarily due to the strong growth of our revenue and our strengthened negotiating power to negotiate more favorable lease terms as we enhanced our brand recognition.

5. Depreciation of plant and equipment

For the six months ended June 30, 2023, the depreciation of plant and equipment of the Group amounted to RMB72.2 million, representing an increase of RMB15.5 million or 27.3% as compared with RMB56.7 million for the corresponding period in 2022. The increase was primarily due to increased equipment needs in conjunction with the expansion of our store network, resulting in the corresponding increase in depreciation expenses. Our depreciation of plant and equipment as a percentage of total revenue decreased from 6.2% for the six months ended June 30, 2022 to 5.2% for the same period in 2023 mainly due to the strong growth of our revenue.

6. Amortization of intangible assets

For the six months ended June 30, 2023, the amortization of intangible assets of the Group amounted to RMB25.5 million, representing an increase of RMB2.0 million or 8.5% as compared with RMB23.5 million for the corresponding period in 2022. The increase was primarily driven by the acquisition of software in line with the expansion of our store network. Our amortization of intangible assets as a percentage of total revenue decreased from 2.6% for the six months ended June 30, 2022 to 1.9% for the same period in 2023, primarily due to the strong growth of our revenue achieved in the Reporting Period.

7. Utilities expenses

For the six months ended June 30, 2023, the utilities expenses of the Group amounted to RMB49.3 million, representing an increase of RMB12.0 million or 32.2% as compared with RMB37.3 million for the corresponding period in 2022. The increase was mainly attributable to the expansion of our store network which demanded additional usage of utilities. Our utilities expenses as a percentage of total revenue decreased from 4.1% for the six months ended June 30, 2022 to 3.6% for the same period in 2023 mainly due to the strong growth of our revenue.

8. *Advertising and promotion expenses*

For the six months ended June 30, 2023, the advertising and promotion expenses of the Group amounted to RMB81.1 million, representing an increase of RMB27.2 million or 50.5% as compared with RMB53.9 million for the corresponding period in 2022. The increase was mainly driven by the spending in advertising and promotion to grow our revenue. Our advertising and promotion expenses as a percentage of total revenue remained relatively stable for the six months ended June 30, 2022 and 2023.

9. *Store operation and maintenance expenses*

For the six months ended June 30, 2023, the store operation and maintenance expenses of the Group amounted to RMB84.9 million, representing an increase of RMB27.2 million or 47.1% as compared with RMB57.7 million for the corresponding period in 2022. The increase was primarily due to the expansion of our store network. Our store operation and maintenance expenses as a percentage of total revenue remained relatively stable during the Reporting Period as compared with the six months ended June 30, 2022.

10. *Other expenses*

Our other expenses consist of (a) telecommunication and information technology related expenses, (b) travelling and related expenses, (c) professional service expenses, (d) auditor's remuneration, (e) listing expenses and (f) others, including training fee, business meal, stamp duty tax and other office expenses.

For the six months ended June 30, 2023, the other expenses of the Group amounted to RMB67.8 million, representing an increase of RMB22.6 million or 50.0% as compared with RMB45.2 million for the corresponding period in 2022. The increase was primarily due to (i) RMB8.7 million increase in travelling and related expenses as the COVID-19 pandemic eased (ii) RMB8.2 million increase in telecommunication and information technology related expenses and professional service expenses along with our store network expansion and (iii) RMB2.8 million increase in listing expense. Our other expenses as a percentage of total revenue remained relatively stable for the six months ended June 30, 2022 and 2023.

11. *Finance costs, net*

For the six months ended June 30, 2023, the net finance costs of the Group amounted to RMB29.3 million, representing a decrease of RMB18.9 million or 39.2% as compared with RMB48.2 million for the corresponding period in 2022. The decrease was primarily due to RMB12.3 million savings in guarantee fee and RMB3.9 million decrease in bank borrowing interest after we refinanced our bank loan with a lower cost facility in March 2022, and further improved by a RMB5.0 million increase in interest income driven by the increase of cash balance after Listing (see below defined).

12. *Fair value change of financial liabilities at fair value through profit or loss*

Fair value changes of convertible senior ordinary shares for the six months ended June 30, 2022 and 2023 were RMB1.1 million loss and RMB119.3 million gain, respectively.

13. Taxation

Income tax expense of the Group increased from RMB9.7 million for the six months ended June 30, 2022 to RMB19.3 million for the six months ended June 30, 2023.

14. Profit/(Loss) for the period

As a result of the foregoing, the Group recorded a net profit of RMB8.8 million for the six months ended June 30, 2023, as compared to a net loss of RMB95.5 million for the six months ended June 30, 2022.

15. Non-IFRS Measures — Adjusted Net Loss, Adjusted EBITDA, Store-level EBITDA and Store-level EBITDA margin

To supplement the Group's consolidated financial statements that are presented in accordance with the IFRS, we also use adjusted net loss (non-IFRS measure), adjusted EBITDA (non-IFRS measure), Store-level EBITDA (non-IFRS measure) and Store-level EBITDA margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that these measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure), adjusted EBITDA (non-IFRS measure), Store-level EBITDA (non-IFRS measure) and Store-level EBITDA margin (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

"Store-level EBITDA" is defined as store-level operating profit for the period and adding back depreciation of plant and equipment and amortization of intangible assets in store-level.

"Store-level EBITDA margin" is calculated by dividing Store-level EBITDA by revenue for the same period.

"Adjusted Net Loss" is defined as profit/(loss) for the period and adding back fair value change of financial liabilities at fair value through profit or loss, share-based compensation and listing expenses.

"Adjusted EBITDA" is defined as Adjusted Net Loss for the period and adding back depreciation and amortization (excluding depreciation of right-of-use assets), income tax expense and finance cost, net (excluding net foreign exchange losses on financing activities).

The following table sets forth the reconciliation of our non-IFRS financial measures for the six months ended June 30, 2022 and 2023 to the nearest measure prepared in accordance with IFRS.

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	
Reconciliation of net profit/(loss) and adjusted net loss and adjusted EBITDA		
Profit/(loss) for the period	**8,751**	(95,475)
Add:		
Fair value change of financial liabilities at fair value through profit or loss	**(119,331)**	1,079
Share-based compensation		
– Directors' compensation, stock appreciation rights and RSUs	**73,692**	(3,338)
– Guarantee fee for shareholders	**–**	12,269
Listing expenses	**19,443**	16,599
Adjusted Net Loss	**(17,445)**	(68,866)
Add:		
Depreciation and amortization	**97,782**	80,150
Income tax expenses	**19,345**	9,738
Finance cost	**27,340**	34,553
Adjusted EBITDA	**127,022**	55,575

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	
Reconciliation of store-level operating profit and Store-level EBITDA		
Store-level operating profit	**186,289**	83,325
Add:		
Depreciation of plant and equipment – store level(1)	**70,289**	54,424
Amortization of intangible assets – store level(2)	**843**	589
Store-level EBITDA	**257,421**	138,338
Store-level EBITDA margin	**18.7%**	15.2%

Notes:

(1) Depreciation of plant and equipment – store level is calculated based on depreciation of plant and equipment incurred at our stores and central kitchens.

(2) Amortization of intangible assets – store level is calculated based on amortization of store franchise fees.

16. Liquidity and Source of Funding and Borrowing

As at June 30, 2023, the Group's cash and cash equivalents increased by 89.1% from RMB544.2 million as at December 31, 2022 to RMB1,028.9 million. Including restricted cash, the Group's total cash increased from RMB544.5 million as at December 31, 2022 to RMB1,029.1 million as at June 30, 2023. The increase primarily resulted from the net proceeds raised from the Global Offering (as defined in the prospectus of the Company dated March 16, 2023 (the "**Prospectus**")) in March 2023 and cash inflow generated from operating activities.

As at June 30, 2023, the Group had total cash and cash equivalents balance of RMB1,028.9 million (December 31, 2022: RMB544.2 million), among which RMB564.4 million (December 31, 2022: RMB0.3 million) were denominated in Hong Kong dollar, RMB370.5 million (December 31, 2022: RMB318.9 million) were denominated in RMB and RMB94.0 million (December 31, 2022: RMB225.0 million) were denominated in US dollar.

Our net cash generated in operating activities was RMB174.8 million for the Reporting Period, compared to the net cash inflow of RMB167.6 million for the six months ended June 30, 2022.

As at June 30, 2023, the current assets of the Group amounted to RMB1,173.2 million, including RMB1,029.1 million in cash and restricted cash and RMB144.1 million in other current assets. The current liabilities of the Group amounted to RMB847.5 million, of which RMB470.0 million was accruals and other payables, RMB204.3 million was lease liabilities, RMB128.2 million was trade payables and RMB45.0 million was other current liabilities. As at June 30, 2023, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 1.38 (December 31, 2022: 0.87).

As at June 30, 2023, the Group's total borrowings were RMB200.0 million (December 31, 2022: RMB200.0 million), out of which RMB100.0 million should be repayable on March 28, 2025 and the remaining RMB100.0 million should be repayable on December 7, 2025. The borrowings were all denominated in RMB and fully guaranteed by a subsidiary of the Group. As at June 30, 2023, all the bank borrowings bear interests at a floating interest rate.

17. Treasury policy

The Group adopts a prudent financial management approach for its treasury policy to ensure that the Group's liquidity structure, comprising assets, liabilities and other commitments, is able to always meet its capital requirements.

18. Gearing Ratio

As at June 30, 2023, the gearing ratio of the Group, which was calculated as total interest-bearing bank loans divided by total equity, was approximately 9.5%, representing a decrease of 17.1 percentage points as compared with 26.6% as at December 31, 2022. The decrease was primarily due to the conversion of convertible senior ordinary shares to ordinary shares and the issuance of ordinary shares through Global Offering (as defined in the Prospectus) in March 2023, which enlarged the balance of total equity.

19. Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of June 30, 2023) during the six months ended June 30, 2023.

20. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended June 30, 2023.

21. Pledge of Assets

As at June 30, 2023, the Group had no pledge of assets.

22. Contingent Liabilities

The Group had no contingent liabilities as at June 30, 2023.

23. Foreign Exchange Exposure

During the six months ended June 30, 2023, the Group mainly operated in China and the majority of the transactions were settled in Renminbi ("**RMB**"), the Company's primary subsidiaries' functional currency. As at June 30, 2023, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations. During the Reporting Period, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures, but will closely monitor the exposure and will take measures when necessary to make sure the foreign exchange risks are manageable.

24. Employees and Remuneration

As at June 30, 2023, the Group had 4,805 full-time employees (December 31, 2022: 3,916). Substantially all of our employees are based in China, primarily in Beijing, Shanghai, Guangzhou, Shenzhen and other cities in which we have operations. The following table sets forth the numbers of our full-time employees categorized by function as at June 30, 2023:

Function	Number of employees	% of total
Store development and operation[1]	4,474	93.1%
Sales, marketing and product development	36	0.7%
Supply chain, central kitchens and quality control	166	3.5%
General administration and others	129	2.7%
Total	**4,805**	**100.0%**

Note:

(1) Comprises (i) full-time store development and operation employees at the corporate level and (ii) full-time employees at our stores who also act as delivery riders when needed.

Besides our full-time employees, we also had a total of 13,725 part-time employees as at June 30, 2023 (December 31, 2022: 10,616). These part-time employees primarily work as riders and in-store assistants.

For the six months ended June 30, 2023, the Group has incurred a total staff costs (inclusive of Directors' remuneration, salaries, wages, allowance and benefits and share based compensations) of RMB545.8 million (December 31, 2022: RMB785.0 million).

During the Reporting Period, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

We believe in the importance of attraction, recruitment and retention of quality talents in achieving the Group's success. We seek to offer attractive remuneration to employees, who earn both a basic salary and discretionary bonuses. For store management teams, their discretionary bonus is tied to the performance of the store. For riders, we provide incentive bonuses that are payable for, among others, the numbers of orders delivered and working during peak hours or in poor weather. Our riders are covered by group commercial insurance, which insures our riders for personal injuries and additional medical care to help protect against the risk of personal injuries.

Our training department oversees the training of our employees. We provide all of our restaurant employees, including store management teams, store assistants with consistent, systematic training to ensure that through the training employees have the operational, management and business skills needed to meet our safety standards and deliver outstanding customer service.

In addition, we conduct standardized trainings with our riders, and distribute to our delivery riders a Delivery Safety Work Manual before they take the first trips. We also provide our riders with training to help them navigate urban traffic and make deliveries safely.

Compensation of key executives of the Group is determined by the Company's remuneration committee which reviews and recommends to the Board the executives' compensation based on the Group's performance and the executives' respective contributions to the Group. For details of our remuneration policies and training schemes, please refer to the section headed "Business – Employees" to the Prospectus).

The Company also has adopted various equity-based incentive plans and cash-based incentive plans. Please refer to the section headed "Statutory and General Information — Share Incentive Plans and Bonus Plans" in Appendix IV to the Prospectus.

25. Future Plans for Material Investments and Capital Assets

As of June 30, 2023, the Group did not have other plans for material investments and capital assets.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance with the Code on Corporate Governance Practices

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of the Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from March 28, 2023 (the "**Listing Date**").

During the period from the Listing Date up to June 30, 2023, the Company has complied with all applicable code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code with effect from the Listing Date.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the period from the Listing Date up to June 30, 2023.

Audit and Risk Committee

The Company has established an audit and risk committee with written terms of reference in accordance with the Listing Rules. The audit committee comprises two non-executive directors and three independent non-executive Directors, namely, Mr. Zohar Ziv, Mr. Matthew James Ridgwell, Mr. David Brian Barr, Mr. Samuel Chun Kong Shih and Ms. Lihong Wang. Ms. Lihong Wang is the chairman of the audit and risk committee.

The audit and risk committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2023 and has met with the independent auditors, PricewaterhouseCoopers, who have reviewed the interim condensed consolidated financial information in accordance with International Standard on Review Engagements 2410. The audit and risk committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Group.

Other Board Committees

In addition to the audit and risk committee, the Company has also established a nomination committee and a remuneration committee.

Purchase, Sale or Redemption of the Company's Listed Securities

During the period from the Listing Date up to June 30, 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange.

Material Litigation

The Company was not involved in any material litigation or arbitration during the six months ended June 30, 2023. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended June 30, 2023.

Use of Proceeds

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on March 28, 2023 (the "**Listing**") and the net proceeds raised during the Global Offering (as defined in the Prospectus) were approximately HK$499.9 million (including the additional proceeds received upon the partial exercise of the Over-allotment Option (as defined in the Prospectus)) (equivalent to approximately RMB437.8 million).

As of June 30, 2023, none of the net proceeds of the completion of the Global Offering had been utilised and HK$499.9 million remained unutilised. There has been no change in the intended use of net proceeds as previously disclosed in the Prospectus and the Company expects to fully utilised the residual amount of the net proceeds in accordance with such intended purpose by December 31, 2025.

	% of use of proceeds	**Net proceeds** *(HK$ million)*	**Utilisation during the Reporting Period** *(HK$ million)*	**Unutilised amount as of June 30, 2023** *(HK$ million)*	**Expected timeline of full utilisation of the unutilised proceeds**
Expanding our store network	90%	450.0	–	450.0	By December 31, 2025
General corporate purposes	10%	49.9	–	49.9	By December 31, 2025
Total	**100%**	**499.9**	**–**	**499.9**	

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Six months ended June 30, 2023**	2022
		RMB'000	*RMB'000*
		(Unaudited)	
Revenue	*4*	**1,376,370**	908,789
Raw materials and consumables cost		**(380,446)**	(247,193)
Staff compensation expense	*6*	**(545,772)**	(336,908)
Depreciation of right-of-use assets		**(108,385)**	(90,984)
Depreciation of plant and equipment		**(72,241)**	(56,673)
Amortization of intangible assets		**(25,541)**	(23,477)
Utilities expenses		**(49,272)**	(37,305)
Advertising and promotion expenses		**(81,077)**	(53,873)
Store operation and maintenance expenses		**(84,940)**	(57,676)
Variable lease rental payment, short-term rental and other related expenses		**(30,993)**	(14,231)
Other expenses	*5*	**(67,772)**	(45,211)
Fair value change of financial liabilities at fair value through profit or loss ("**FVPL**")	*11*	**119,331**	(1,079)
Other income		**12,716**	19,889
Other losses, net		**(4,584)**	(1,587)
Finance costs, net		**(29,298)**	(48,218)
Profit/(loss) before income tax		**28,096**	(85,737)
Income tax expense	*7*	**(19,345)**	(9,738)
Profit/(loss) for the period attributable to equity holders of the Company		**8,751**	(95,475)
Other comprehensive profit/(losses):			
Item that may be subsequently reclassified to profit or loss			
Currency translation differences		**(11,878)**	(15,498)
Item that may not be subsequently reclassified to profit or loss			
Currency translation differences		**55,597**	(13,668)
Changes in the fair value attributable to own credit risk change		**–**	(49)
Other comprehensive profit/(loss) for the period, net of tax		**43,719**	(29,215)
Total comprehensive profit/(loss) for the period attributable to equity holders of the Company		**52,470**	(124,690)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company			
– Basic earnings/(loss) per share (RMB)	*8*	**0.08**	(1.00)
– Diluted earnings/(loss) per share (RMB)	*8*	**0.07**	(1.00)

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

	Notes	**As at June 30, 2023** ***RMB'000*** **(Unaudited)**	As at December 31, 2022 *RMB'000*
ASSETS			
Non-current assets			
Plant and equipment		**551,348**	496,004
Right-of-use assets		**865,423**	764,815
Intangible assets		**1,228,635**	1,242,399
Prepayment and deposits		**48,260**	40,456
Deferred income tax assets		**36,519**	37,154
		2,730,185	2,580,828
Current assets			
Inventories		**56,456**	66,879
Trade receivables	*10*	**4,909**	8,291
Prepayment, deposits and other receivables		**82,769**	69,150
Cash and cash equivalents		**1,028,891**	544,247
Restricted cash		**200**	214
		1,173,225	688,781
Total assets		**3,903,410**	3,269,609
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**877,957**	655,061
Share premium		**2,249,714**	1,162,036
Other reserves		**69,925**	40,023
Accumulated losses		**(1,086,895)**	(1,091,161)
Shares held for restricted share units ("**RSUs**")		**(1,731)**	(12,834)
Total equity		**2,108,970**	753,125

	Notes	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		**200,000**	200,000
Financial liabilities at fair value through profit or loss	*11*	**–**	858,894
Lease liabilities		**730,742**	649,975
Other payables	*13*	**16,240**	12,184
		946,982	1,721,053
Current liabilities			
Lease liabilities		**204,343**	180,247
Trade payables	*12*	**128,193**	126,746
Contract liabilities	*4(a)*	**35,990**	31,119
Accruals and other payables	*13*	**469,994**	440,700
Current income tax liabilities		**8,938**	16,619
		847,458	795,431
Total liabilities		**1,794,440**	2,516,484
Total equity and liabilities		**3,903,410**	3,269,609
Net current assets/(liabilities)		**325,767**	(106,650)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 General information

The Company is a limited liability company incorporated in British Virgin Islands on April 30, 2008. The address of its registered office is Kingston Chambers, P.O.Box 173 Road Town, Tortola, British Virgin Islands.

The Group are principally engaged in the operation of fast-food restaurant chains in the People's Republic of China (the "**PRC**").

Dash DPZ China Limited ("**DPZ China**") held 100% equity interests in Pizzavest China Ltd., which was Domino's Pizza's master franchisee in Mainland China, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China.

Before July 2017, DPZ China was jointly controlled by the Company and a third party. In July 2017, the Company issued additional shares to the third party to acquire the remaining equity interests in DPZ China (the "**Acquisition**"). After the Acquisition, DPZ China became a wholly-owned subsidiary of the Company.

The master franchise agreement with Domino's Pizza International Franchising Inc. ("**DPIF**") provides the Group with the exclusive right to develop and operate Domino's Pizza stores and to use and license Domino's system and the associated trademarks in the operation of the pizza stores in Mainland China, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China. The term of the master franchise agreement continues until June 1, 2027 and is renewable for two additional 10-year terms, subject to the fulfilment of certain conditions.

The Company's shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Listing**") since March 28, 2023.

The condensed interim consolidated financial information is presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated. This condensed interim consolidated financial information was approved for issue by the Board of Directors on August 29, 2023.

2 Basis of preparation

This condensed interim consolidated financial information for the six months ended June 30, 2023 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting. The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements included in the Accountant's Report (the "**Accountant's Report**") set forth in Appendix I to the Prospectus, which have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") and any public announcements made by DPC Dash Ltd during the interim reporting period.

3 New standards and interpretations

Except as described below, the accounting policies applied are consistent with those of the consolidated financial statements included in the Accountant's Report.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

(a) *New and amended standards adopted by the Group*

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies as a result of adopting these standards.

		Effective for annual periods beginning on or after
IFRS 17	Insurance contracts	January 1, 2023
IAS 1 and IFRS Practice Statement 2 (Amendments)	Disclosure of accounting policies	January 1, 2023
IAS 8 (Amendments)	Definition of accounting estimates	January 1, 2023
IAS 12 (Amendments)	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023

The Group has adopted International Tax Reform – Pillar Two Model Rules -Amendments to lAS 12 upon their release on May 23, 2023. The amendments provide a temporary mandatory exception applying retrospectively from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from December 31, 2023.

As an exception to requirements in the amendments to IAS 12, the Group neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes because no new legislation to implement the top-up tax was enacted or substantively enacted at December 31, 2022 in any jurisdiction in which the Group operates.

The relief and the new disclosures will also be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2023.

(b) *New standards and amendments to standards and interpretations not yet adopted*

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2023 and have not been early adopted by the Group in preparing this condensed interim consolidated financial information.

		Effective for annual periods beginning on or after
IAS 1 (Amendments)	Non-current liabilities with covenants	January 1, 2024
IFRS 16 (Amendments)	Lease liability in sale and leaseback	January 1, 2024
IFRS 10 and IAS 28 (Amendments)	Sales or Contribution Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

4 Revenue and segment information

The Group is Domino's Pizza's exclusive master franchisee in Mainland China, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China.

The chief operating decision-maker ("**CODM**") has been identified as the directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segment based on these internal reports.

The directors consider the Group's operation from a business perspective and determine that the Group is managed as one single reportable operating segment.

During the six months ended June 30, 2023, all the Group's revenue are generated from Mainland China.

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	
Revenue from sales of goods and services recognized – at a point in time	**1,376,370**	908,789

(a) Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	As at June 30, 2023	As at December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	
Contract liabilities	**35,990**	31,119

(i) Revenue recognized in relation to contract liabilities

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	
Revenue recognized that was included in the balance of contract liabilities at the beginning of the period	**15,457**	11,502

Each order with customers is considered as a contract. All contracts entered by the Group are for periods one year or less. The Group has applied the practical expedient as permitted by IFRS 15 and the transaction price allocated to the remaining performance obligations is not disclosed.

(b) Non-current assets by geographical location

As at June 30, 2023, most of the Group's non-current assets were located in Mainland China.

5 Other expenses

	Six months ended June 30, 2023 RMB'000 (Unaudited)	2022 RMB'000
Professional service expenses	**8,974**	4,506
Auditor's remuneration	**2,703**	1,420
Telecommunication and information technology related expenses	**15,862**	12,111
Travelling and related expenses	**11,805**	3,144
Listing expenses	**19,443**	16,599
Others	**8,985**	7,431
	67,772	45,211

6 Staff compensation expense (including director service fees)

	Six months ended June 30, 2023 RMB'000 (Unaudited)	2022 RMB'000
Salaries, wages and bonuses	**411,029**	294,560
Contributions to pension plan	**27,809**	20,141
Housing fund, medical insurance and other social insurances	**29,683**	21,944
Other benefits	**3,559**	3,601
Total salary-based expenses	**472,080**	340,246
Share-based compensation	**73,692**	(3,338)
Total staff compensation cost	**545,772**	336,908

7 Income tax expense

	Six months ended June 30, 2023 RMB'000 (Unaudited)	2022 RMB'000
Current income tax		
– Mainland China corporate income tax	**18,710**	19,490
Deferred income tax	**635**	(9,752)
Income tax expense	**19,345**	9,738

(i) B.V.I. profits tax

The Company is incorporated in the British Virgin Islands as an exempted company with limited liability under the Companies Law of the British Virgin Islands and, accordingly, is exempted from payment of British Virgin Islands income tax.

(ii) ***Hong Kong profits tax***

The Hong Kong profits tax rate applicable to the Group is 16.5%. No Hong Kong profits tax has been provided, as the Group have no assessable profit earned or derived in Hong Kong for the periods presented.

(iii) ***Cayman Islands profits tax***

The Company's subsidiary is incorporated in the Cayman Islands as an exempted company with limited liability and, accordingly, is exempted from payment of the Cayman Islands income tax.

(iv) ***Mainland China corporate income tax ("CIT")***

CIT is provided on the taxable income of entities within the Group incorporated in Mainland China. Except as disclosed below, the corporate income tax rate applicable to the subsidiaries incorporated in Mainland China is 25% for the six months ended June 30, 2023 (for the six months ended June 30, 2022: 25%). Certain subsidiaries of the Group are qualified as small and micro businesses and enjoy preferential income tax rate as approved by the local tax authorities with effect from the respective dates of their establishment. The tax rate is 5% on taxable income for the six months ended June 30, 2023 (for the six months ended June 30, 2022: 2.5% on taxable income for the first RMB1,000,000, and 5% on taxable income for RMB1,000,000 to RMB3,000,000).

8 Earnings/(loss) per share

(a) ***Basic***

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares (excluding RSU not yet vested) in issue during the respective periods.

	Six months ended June 30,	
	2023	2022
	(Unaudited)	
Profit/(loss) attributable to equity holders of the Company *(RMB'000)*	**8,751**	(95,475)
Weighted average number of ordinary shares in issue *(thousands)*	**113,462**	95,031
Basic earnings/(loss) per share *(RMB)*	**0.08**	(1.00)

(b) ***Diluted***

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's potentially dilutive ordinary shares comprised of share options and RSU not yet vested. For the six months ended June 30, 2022, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

	Six months ended June 30,	
	2023	2022
	(Unaudited)	
Profit/(loss) attributable to equity holders of the Company *(RMB'000)*	**8,751**	(95,475)
Weighted average number of ordinary shares in issue *(thousands)*	**113,462**	95,031
Adjustments for share options and RSU *(thousands)*	**11,107**	–
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**124,569**	95,031
Diluted earnings/(loss) per share *(RMB)*	**0.07**	(1.00)

9 Dividends

No dividend had been declared or paid by the Company during the six months ended June 30, 2023 (for the six months ended June 30, 2022: nil).

10 Trade receivables

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000
Trade receivables due from third parties	**5,023**	8,483
Less: allowance for impairment of trade receivables	**(114)**	(192)
	4,909	8,291

Aging of trade receivables, based on invoice date, are as follows:

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000
Within 30 days	**5,023**	8,483

The carrying amounts of trade receivables approximated their fair values as at the balance sheet date due to their short-term maturities, and these balances were all denominated in RMB.

11 Financial liabilities at fair value through profit or loss

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000
Convertible senior ordinary shares	**–**	858,894

On May 4, 2020, the Company issued 8,651,546 fully paid convertible senior ordinary shares ("**SOS First Closing**"), and on January 29, 2021, the Company issued 8,142,631 fully paid convertible senior ordinary shares ("**SOS Second Closing**") to Domino's Pizza LLC ("**DPI**"). The shares are redeemable at 100% of its purchase price at US$4.6234 per share and US$4.9124 per share respectively with the accrued interests no less than an amount equal to the simple interest accruing annually at the rate of 15% on the earliest of May 4, 2024, which is the fourth anniversary of the issue date of SOS First Closing, if the Company fails to finish an IPO or the occurrence of a material breach of any covenants under a shareholders agreement with DPI.

On December 10, 2021, the Company issued 1,306,842 fully paid convertible senior ordinary shares (the "**2021 SOS**") to DPI, which are redeemable at 100% of its purchase price at US$6.9500 per share with the accrued interests no less than an amount equal to the simple interest accruing annually at the rate of 8% on the earliest of May 4, 2024, which is the fourth anniversary of the issue date of SOS First Closing, if the Company fails to finish an IPO or the occurrence of a material breach of any covenants under a shareholders agreement with DPI.

All convertible senior ordinary shares were converted into ordinary shares on a one-to-one ratio upon the Listing, pursuant to which approximately RMB124,443,000 was recognised as share capital and approximately RMB604,804,000 was recognised as share premium. Fair value changes amounting to approximately RMB119,331,000, representing the differences between the fair value of the convertible senior ordinary shares as at December 31, 2022 and the IPO price of HKD46.0 per share for total of 18,101,019 shares, were recognised in profit or loss. The fair value gain of financial instruments is a non-cash item, and there will be no further gains or losses on fair value changes from these senior ordinary shares after the conversion upon the listing.

12 Trade payables

The aging analysis of trade payables, based on invoice date, were as follows:

	As at June 30, 2023 ***RMB'000*** **(Unaudited)**	As at December 31, 2022 *RMB'000*
– Within 3 months	**128,036**	126,715
– Between 4 months to 6 months	**65**	22
– Over 6 months	**92**	9
	128,193	126,746

The carrying amounts of trade payables approximated their fair values as at the balance sheet date due to their short-term maturities, and these balances were all denominated in RMB.

13 Accruals and other payables

	As at June 30, 2023 ***RMB'000*** **(Unaudited)**	As at December 31, 2022 *RMB'000*
Non-current		
Salary and welfare payables	**–**	2,196
Provision for restoration costs	**16,240**	9,988
	16,240	12,184
Current		
Payables for stock appreciation rights	**–**	2,144
Salary and welfare payables	**145,260**	124,210
Payables for plant and equipment and intangible assets	**110,158**	80,772
Accrued expenses(i)	**186,331**	171,032
Accrued listing expenses	**6,376**	42,737
Others	**21,869**	19,805
	469,994	440,700
Total accruals and other payables	**486,234**	452,884

(i) Accrued expenses primarily include accrued advertising and promotion expenses, accrued information technology expenses, accrued professional service expenses, accrued utilities expenses, accrued store operation expenses and accrued royalty expenses.

The carrying amounts of accruals and other payables approximated their fair values.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.dpcdash.com. The interim report of the Group for the six months ended June 30, 2023 will be published on the aforesaid websites and will be dispatched to the Company's shareholders in due course in accordance with the Listing Rules.

By order of the Board
DPC Dash Ltd
Frank Paul KRASOVEC
Chairman

Hong Kong, August 29, 2023

As of the date of this announcement, the Board comprises Ms. Yi WANG as executive Director, Mr. Frank Paul KRASOVEC, Mr. James Leslie MARSHALL, Mr. Zohar ZIV, Mr. Matthew James RIDGWELL and Mr. Arthur Patrick D'ELIA as non-executive Directors and Mr. David Brian BARR, Mr. Samuel Chun Kong SHIH and Ms. Lihong WANG as independent non-executive Directors.